

MINUTES OF THE MEETING
INDIANA HEALTH AND EDUCATIONAL FACILITY FINANCING AUTHORITY

October 25, 2006

MEMBERS PRESENT: Ryan Kitchell; Lance Rhodes; Kelly Borrer; Bill Lister; Jerry Mann

ALSO PRESENT: Brenda Horn, Kristin McClellan, Kendra York, Ice Miller; Kimberly Blanchet, Barnes & Thornburg; Terri Hawkins, Bob Kocher, Bank of New York; Curt Fritsch, CRF; Mike Brown, CitiGroup; John Meade, Hall Render; Stephen Gilmore, Ascension Health; Kelly McNalty, City Securities; Jennifer Alvey; Cindy Pierson; and Dan Kramer.

Mr. Kitchell welcomed those in attendance, recognized the presence of a quorum and called the meeting to order at 11:00 a.m. on October 25, 2006, in Suite 900, One North Capitol Avenue, Indianapolis, Indiana, pursuant to notice thereof.

Mr. Kitchell asked for approval of the Minutes of the September 27, 2006, meeting of the Indiana Health and Educational Facility Financing Authority. Thereupon, upon motion made by Mr. Rhodes and seconded by Ms. Borrer, it was unanimously:

RESOLVED, the Minutes of the September 27, 2006, meeting of the Indiana Health and Educational Facility Financing Authority are hereby approved and the Executive Director is instructed to execute same and to place same in the Minute Book as the Minutes of the September 27, 2006, Meeting of the Indiana Health and Educational Facility Financing Authority.

EXECUTIVE DIRECTOR'S REPORT

A copy of the Executive Director's Report is attached hereto as Exhibit A.

The Executive Director began by telling members that the Community Village, Inc.-Hartsfield Village Project transaction for \$10,385,000 closed on October 4, 2006.

The Executive Director continued with the next item on the agenda, the Final Resolution for Ascension Health Credit Group in an amount not to exceed \$757,000,000. The purpose of this financing is for various refundings, and the expansion, renovation and equipping of two facilities.

Thereupon, upon motion made by Ms. Borrer and seconded by Mr. Rhodes, it was unanimously:

RESOLVED, the final resolution authorizing the issuance of one or more series of the Indiana Health and Educational Facility Financing Authority Revenue Bonds (Ascension Health Credit Group), Series 2006 in a principal amount not to exceed seven hundred fifty-seven million dollars and approving and authorizing other actions in respect thereto be and is hereby approved.

A copy of the resolution is attached hereto as Exhibit B.

The Executive Director finished his report by directing members to the Indiana Health and Educational Facilities Financing Authority's September expense report and October Cash & Investment Report.

The Executive Director concluded his report.

Brenda Horn of Ice Miller gave a presentation to the Authority members regarding a new tool in physician-hospital relationships, Bond Participation Transactions.

There being no further business, the meeting was adjourned.

Respectfully submitted,

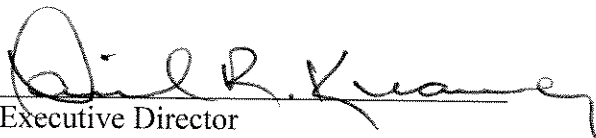

Executive Director

EXHIBIT A

**INDIANA HEALTH AND EDUCATIONAL FACILITY
FINANCING AUTHORITY**

ONE NORTH CAPITOL AVE., SUITE 900
INDIANAPOLIS, INDIANA 46204
(317) 233-4335 FAX: (317) 232-6786

REPORT BY

DANIEL KRAMER, EXECUTIVE DIRECTOR

October 25, 2006

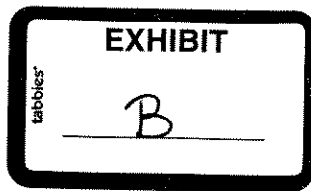
Activities for the period September 28, 2006, through October 25, 2006, are as follows:

I. Special Projects in Various Stages of Development:

- | | |
|--|---------------------|
| 1. Community Village Inc.–Hartsfield Village Project-CLOSED | \$10,385,000 |
| 2. Ascension Health Senior Credit Group | \$757,000,000 |
| 3. Community Hospital of LaGrange County, Inc. | \$26,750,000 |
| 4. Trinity Health Credit Group | \$15,000,000 |

II. 1985 A Variable Rate Pool Activity

1. New Applications: None
2. Pending Applications: None
3. Approvals:
 - a. L.O.C. Required: Imaging Center of North Central, IN, Inc. \$3,500,000



**FINAL RESOLUTION AUTHORIZING THE ISSUANCE OF
ONE OR MORE SERIES OF THE
INDIANA HEALTH AND EDUCATIONAL FACILITY FINANCING AUTHORITY
REVENUE BONDS (ASCENSION HEALTH SENIOR CREDIT GROUP),
SERIES 2006
IN A PRINCIPAL AMOUNT NOT TO EXCEED
SEVEN HUNDRED FIFTY-SEVEN MILLION DOLLARS
AND APPROVING AND AUTHORIZING OTHER ACTIONS IN RESPECT THERETO**

WHEREAS, the Indiana General Assembly enacted Indiana Code 5-1-16, as amended (the "Act"), which created the Indiana Health and Educational Facility Financing Authority (the "Authority") which is empowered to issue bonds for the purpose of making loans to Participating Providers (as defined in the Act) for the financing, reimbursing or refinancing of all or any part of the cost of Health Facility Property (as defined in the Act); and

WHEREAS, Ascension Health, a Missouri not-for-profit corporation, is the sole corporate member of each of St. Vincent Health, Inc. ("St. Vincent") and St. Mary's Health System of America, Inc. ("St. Mary's Indiana"), each an Indiana nonprofit corporation; Daughters of Charity Health Services of Austin, a Texas nonprofit corporation; St. Vincent's Health System, Inc., a Florida nonprofit corporation; and Saint Thomas Health Services, a Tennessee nonprofit corporation;

WHEREAS, St. Vincent or an affiliate thereof is the sole corporate member of each of St. Joseph Hospital & Health Center, Inc., St. Vincent Hospital and Health Care Center, Inc., St. Vincent Madison County Health System, Inc. (which owns and operates St. Vincent Mercy Hospital and Saint John's Health System), St. Vincent Carmel Hospital, Inc., St. Vincent Williamsport Hospital, Inc., Seton Specialty Hospital, Inc. and St. Vincent Clay Hospital, Inc., (collectively, the "St. Vincent Hospitals"), each an Indiana nonprofit corporation;

WHEREAS, St. Mary's Indiana is the sole corporate member of each of St. Mary's Medical Center of Evansville, Inc., St. Mary's Warrick Hospital, Inc. and Seton Health Corporation of Southern Indiana (the "St. Mary's-Indiana Hospitals"), each an Indiana nonprofit corporation;

WHEREAS, Daughters of Charity Health Services of Austin operates the following facilities, using the following assumed business names: Seton Medical Center, Seton Northwest Hospital, Dell Children's Medical Center of Central Texas and Brackenridge Hospital (the "Daughters of Charity Health Services of Austin Hospitals");

WHEREAS, St. Vincent's Health System, Inc. is the sole corporate member of St. Vincent's Medical Center, Inc. (the "Jacksonville Hospital"), a Florida nonprofit corporation;

WHEREAS, Saint Thomas Health Services is the sole corporate member of each of St. Thomas Hospital and Seton Corporation (d/b/a Baptist Hospital) (collectively, the "St. Thomas Hospitals"), each a Tennessee nonprofit corporation;

WHEREAS, Ascension Health, St. Vincent, St. Mary's Indiana, the St. Joseph Hospital & Health Center, Inc., St. Vincent Hospital and Health Care Center, Inc., St. Vincent Madison

County Health System, Inc., St. Vincent Clay Hospital, Inc., St. Mary's Medical Center of Evansville, Inc., Seton Health Corporation of Southern Indiana, St. Mary's Warrick Hospital, Inc., St. Vincent Williamsport Hospital Inc., St. Vincent Carmel Hospital, Inc., Seton Specialty Hospital, Inc., Daughters of Charity Health Services of Austin, St. Thomas Hospital, Seton Corporation, Saint Thomas Health Services, St. Vincent's Medical Center, Inc. and St. Vincent's Health System, Inc. (collectively, the "Hospitals"), together with certain other nonprofit corporations, are members of an obligated group (the "Senior Obligated Group") established pursuant to a master trust indenture, dated as of November 1, 1999, as supplemented and amended (the "Senior Master Indenture"), among Ascension Health, the Hospitals, such other nonprofit corporations and U.S. Bank National Association, as master trustee (the "Senior Master Trustee");

WHEREAS, Ascension Health has requested the assistance of the Authority in financing, reimbursing or refinancing a portion of the cost of the acquisition, construction, renovation and equipping of certain Health Facility Property of the following entities and their affiliates: the St. Vincent Hospitals and the St. Mary's-Indiana Hospitals located in the State of Indiana, the Daughters of Charity Health Services of Austin Hospitals located in the State of Texas, the Jacksonville Hospital located in the State of Florida and St. Thomas Hospitals located in the State of Tennessee (the "Projects") through the issuance of its revenue bonds, in one or more series, in the aggregate principal amount of not to exceed \$757,000,000 (the "Bonds") and the loan of the proceeds of the Bonds to Ascension Health or one or more other members of the Senior Obligated Group (the "Borrower"); and

WHEREAS, the Authority desires to issue the Bonds, in one or more series, and loan the proceeds to the Borrower for purpose of financing, reimbursing or refinancing the Projects and all costs related thereto; and

WHEREAS, the Authority desires to authorize its Chair, Vice Chair or Executive Director to take certain actions in preparation for marketing of the Bonds;

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE AUTHORITY THAT:

Section 1. Ascension Health has requested that the Authority issue its revenue bonds in one or more series, on one or more dates, in the aggregate principal amount not to exceed \$757,000,000 (the "Bonds") for the purpose of providing funds to make a loan to the Borrower, a participating provider (within the meaning of Indiana Code 5-1-16, hereinafter referred to as the "Act") for financing, refinancing or reimbursing a portion of the cost of the acquisition, construction, renovation and equipping of certain Health Facility Property (as defined in the Act) of the Hospitals.

Section 2. Based solely on the application of Ascension Health, the Authority hereby finds and determines that: (a) the Projects are necessary or helpful to provide, directly or indirectly, healthcare; medical research; training or teaching of health care personnel; habilitation, rehabilitation or therapeutic services; or any related supporting services; and, therefore, constitute Health Facility Property within the meaning of the Act; (b) the Borrower that operates any of the Projects located outside Indiana, or an affiliate of the Borrower, also

operates a substantial health facility or facilities in Indiana, and, therefore, the Projects constitute a Health Facility within the meaning of the Act; and (c) the financing or refinancing of any of the Projects located outside Indiana also includes a substantial component for the benefit of a health facility or facilities located in Indiana, and, therefore, the Borrower constitutes a Participating Provider within the meaning of the Act.

Section 3. The Bonds are being issued pursuant to the bond indentures (the "Indentures"), listed on Exhibit A, between the Authority and Wells Fargo Bank, National Association (the "Bond Trustee"), which Indentures provide that the Bonds will be secured by the pledging and assigning of Revenues (as defined in the Indentures) which consist primarily of Loan Repayments (as defined in the Indentures) made by Ascension Health under the Loan Agreements, listed on Exhibit A, which Loan Agreements shall evidence a loan of the proceeds of the Bonds from the Authority to the Borrower for the purpose of (i) financing, refinancing, and reimbursing the Projects, and (ii) paying certain costs of issuing the Bonds, including Underwriters' discount.

Section 4. The forms of the documents listed on Exhibit A (the "Bond Documents") presented to the Authority are hereby approved and shall be incorporated herein by reference and shall be kept by the Executive Director of the Authority.

Section 5. The Authority shall issue the Bonds for the purposes set forth in Section 1 hereof, in an aggregate principal amount not to exceed \$757,000,000 at an original issue discount not to exceed 2% of the aggregate principal amount of the Bonds and with an Underwriters' discount not to exceed 1% of the aggregate principal amount of the Bonds. The dates, issuance dates, maturity dates, initial interest rate modes, initial interest rate or rates (and methods of determining the interest rate or rates), privileges, manner of execution, place or places of payment, terms of redemption, forms, denominations, registration provisions, proceeds disbursement provisions and other terms of the Bonds shall be as provided in the Indentures, as executed. The proceeds of the Bonds shall be loaned to the Borrower to be used as more particularly set out in the Loan Agreements and the Indentures. The Bonds will be payable as to principal, premium, if any, and interest from the payments to be made by the Borrower under the Loan Agreements, or as otherwise provided in the Indentures.

Section 6. The issuance of the Bonds shall be contingent upon receipt of the approval of the Lieutenant Governor of the State of Indiana pursuant to Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code"). The Bonds shall not constitute a debt of the State of Indiana or any political subdivision thereof, within the meaning of the provisions of the constitution or statutes of Indiana, or a pledge of the faith and credit of the Authority or the State of Indiana or any such political subdivision. The Bonds shall mature no later than 40 years from the date of initial issuance.

Section 7. Either the Chair or Vice Chair of the Authority is hereby authorized and directed to execute the Bonds and the Executive Director of the Authority is hereby authorized and directed to affix the seal of the Authority which shall be attested by the manual or facsimile signature of the Executive Director. The signatures of the Chair or Vice Chair and the Executive Director on the Bonds may be facsimile signatures. The Chair or Vice Chair of the Authority is hereby authorized and directed to deliver the Bonds to the Bond Trustee for appropriate

authentication and the Bond Trustee may deliver such Bonds to or at the direction of the underwriters for the Bonds (the "Underwriters") upon receipt of an aggregate purchase price equal to the principal amount of the Bonds less an original issue discount not to exceed 2% of the aggregate principal amount of the Bonds and an Underwriters' discount not to exceed 1% of the aggregate principal amount of the Bonds, subject to the approval of the Chair or Vice Chair as described in Section 9 hereof and the approval of the Lieutenant Governor of Indiana in accordance with Section 147(f) of the Code.

Section 8. Either the Chair or the Vice Chair of the Authority is hereby authorized to approve changes and additions to the form of the Preliminary Official Statements presented to the Authority. The Authority hereby approves the forms of the Preliminary Official Statements, and authorizes the Underwriters to distribute the Preliminary Official Statements with such changes or additions as shall be approved by the Chair or Vice Chair of the Authority for purposes of marketing the Bonds. The Authority also hereby approves the distribution of final Official Statements (the "Official Statements") by the Underwriters to the purchasers of the Bonds. The Official Statements shall be substantially in the form of the Preliminary Official Statements now before this meeting and hereby approved, with such changes therein as shall be approved by the Chair or Vice Chair executing the same, with such execution to constitute conclusive evidence of the Chair's or Vice Chair's approval and the Authority's approval of any changes from or revisions to the form of the Preliminary Official Statements now before this meeting.

Section 9. Either the Chair or Vice Chair of the Authority is hereby authorized and directed to execute (by manual or facsimile signatures affixed in accordance with Section 14 below), and the Executive Director to attest such signature where appropriate (by manual or facsimile signatures affixed in accordance with Section 14 below), and deliver the Bond Documents to which the Authority is a party, in substantially the forms presented to this meeting for distribution with such changes in form or substance as shall be approved by the Chair or Vice Chair of the Authority executing said documents, with such execution to constitute conclusive evidence of the Chair's or Vice Chair's approval and the Authority's approval of any changes from or revisions to the form of such documents now before this meeting.

Section 10. The Authority hereby approves the change in the interest rate mode for the Bonds from time to time in accordance with the terms of the Indentures, and the the Chair, Vice Chair or the Executive Director of the Authority, each acting alone, are authorized and directed to do any and all things and to execute and deliver any and all documents which they may deem necessary or advisable in order to consummate any such change in interest rate mode, including without limitation any and all documents necessary or advisable to ensure that interest on the Bonds is excluded from gross income for federal income tax purposes.

Section 11. The Authority hereby approves the deletion from the Indentures and Official Statements of any interest rate mode at the request of Ascension Health.

Section 12. The sale of one or more series of the Bonds in a private placement to one or more institutional buyers is hereby approved. In the event of a private placement, the Chair, the Vice Chair and the Executive Director of the Authority, or any of them, are hereby authorized and directed, for and in the name of the Authority, to modify the form of Preliminary

Official Statement to a private placement memorandum and modify the form of Bond Purchase Contract to a private placement purchase agreement, with the execution and delivery of such private placement memorandum and private placement agreement to constitute conclusive evidence of the such officer's approval and the Authority's approval of any modifications from the forms of Preliminary Official Statement and Bond Purchase Contract now before this meeting.

Section 13. The Chair, the Vice Chair and the Executive Director of the Authority, or any of them, are hereby authorized to execute (by manual or facsimile signatures affixed in accordance with Section 14 below) any other document which may be necessary or desirable to consummate the transaction described herein, including any certifications requested by the Underwriters or Bond Counsel and otherwise to effectuate the purposes of this resolution.




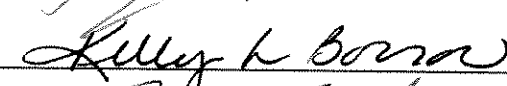

Section 14. In accordance with IC 5-1-16-9 and IC 5-1-16-13(a)(6), the Authority hereby authorizes the use of a signature stamp of the Chair or Vice Chair and the Executive Director of the Authority (the "Authorized Signatories") on all documents (excluding the IRS Form 8038) necessary or desirable in connection with the issuance of the Bonds. Each Authorized Signatory may authorize, in a writing executed with a manual signature, Authority Counsel or any other person to affix a stamp of such Authorized Signatory's signature to any documents, such delegation and authorization shows the approval of such Authorized Signatory and the Authority agrees to be bound by any document executed in such manner.

Section 15. The provisions of this Resolution and the Indentures shall constitute a contract binding between the Authority and the purchasers of the Bonds, and after the issuance of the Bonds, this Resolution shall not be repealed or amended in any respect which would adversely affect the rights of such purchasers so long as any of the Bonds or the interest thereon remain unpaid.

This resolution shall take effect immediately upon its adoption.

Dated this 25th day of October, 2006.

INDIANA HEALTH AND EDUCATIONAL
FACILITY FINANCING AUTHORITY

Attest:

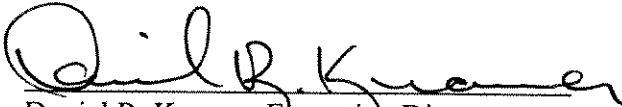

Daniel R. Kramer, Executive Director

EXHIBIT A

- a) Bond Indenture (fixed rate), dated November 1, 2006, between the Authority and the Bond Trustee.
- b) Bond Indenture (multi-modal), dated November 1, 2006, between the Authority and the Bond Trustee.
- c) Loan Agreement (fixed rate), dated November 1, 2006, between the Authority and Ascension Health.
- d) Loan Agreement (multi-modal), dated November 1, 2006, between the Authority and Ascension Health.
- e) Bond Purchase Contract (fixed rate), between the Authority and/or Citigroup Global Markets, Inc. and Morgan Stanley & Co. Incorporated and approved by Ascension Health.
- f) Bond Purchase Contract (multi-modal) between the Authority and/or Citigroup Global Markets, Inc. and Morgan Stanley & Co. Incorporated and approved by Ascension Health.
- g) Preliminary Official Statement/Official Statement (fixed rate) used to market the Bonds.
- h) Preliminary Official Statement/Official Statement (multi-modal) used to market the Bonds.